

THE EXTRA MILE, REGION VIII, INC.

MONROE, LOUISIANA

FINANCIAL STATEMENTS

AND ADDITIONAL INFORMATION

FOR THE YEAR ENDED

JUNE 30, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

3/23/11

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
JUNE 30, 2010

CONTENTS

| | <u>PAGE</u> |
|---|-------------|
| INDEPENDENT AUDITORS' REPORT..... | 1-2 |
| COMPLIANCE REPORTS: | |
| Report on Compliance and on Internal Control Over Financial Reporting Based on An Audit of Financial Statements Performed in Accordance with Government Auditing Standards..... | 3-4 |
| Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133..... | 5-7 |
| FINANCIAL STATEMENTS: | |
| Statement of Financial Position..... | 8 |
| Statement of Activities..... | 9 |
| Statement of Functional Expenses..... | 10 |
| Statement of Cash Flows..... | 11 |
| Notes to Financial Statements..... | 12-17 |
| SUPPLEMENTARY FINANCIAL INFORMATION: | |
| Schedule I - Schedule of Expenditures By Grantor..... | 18 |
| Schedule II - Schedule of Expenditures of Federal Awards..... | 19-20 |
| Schedule III - Schedule of Board Members Compensation..... | 21 |
| SCHEDULE OF FINDINGS AND QUESTIONED COSTS..... | 22-30 |
| CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS..... | 31 |

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.

ROWLAND H. PERRY, CPA, AFC
CHARLES L. JOHNSON, JR., CPA
VIOLET M. ROUSSEL, CPA, AFC
JAY CUTHBERT, CPA, APAC
PAM BATTAGLIA, CPA
JULIAN B. JOHNSTON, CPA



"The CPA. Never Underestimate The Value."

Certified Public Accountants

3007 Armand Street
Monroe, Louisiana 71201

Telephone (318) 322-5156 or (318) 323-1411
Facsimile (318) 323-6331

- Accounting & Auditing
 - HUD Audits
 - Non-Profit Organizations
 - Governmental Organizations
- Business & Financial Planning
- Tax Preparation & Planning
 - Individual & Partnership
 - Corporate & Fiduciary
- Bookkeeping & Payroll Services

December 29, 2010

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Extra Mile, Region VIII, Inc.
Monroe, Louisiana

We have audited the accompanying statement of financial position of The Extra Mile, Region VIII, Inc. as of and for the year ended June 30, 2010, and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*, issued by the Comptroller General of the United States; and the provisions of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Extra Mile, Region VIII, Inc. as of June 30, 2010, and the changes in its net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 29, 2010 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was made for the purpose of forming an opinion on the basic financial statements of The Extra Mile, Region VIII, Inc. taken as a whole. The accompanying financial information listed as supplementary financial information in the table of contents and the accompanying Schedule of Expenditures of Federal Awards for the year ended June 30, 2010, are presented for purposes of additional analysis as required by the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations* and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Johnston, Perry, Johnson & Associates, L.L.P.

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.

ROWLAND H. PERRY, CPA, APC
CHARLES L. JOHNSON, JR., CPA
VIOLET M. ROUSSEL, CPA, APC
JAY CUTHBERT, CPA, APAC
PAM BATTAGLIA, CPA
JULIAN B. JOHNSTON, CPA



"The CPA. Never Underestimate The Value."

Certified Public Accountants

3007 Armand Street
Monroe, Louisiana 71201
Telephone (318) 322-5156 or (318) 323-1411
Facsimile (318) 323-6331

- Accounting & Auditing
 - HUD Audits
 - Non-Profit Organizations
 - Governmental Organizations
- Business & Financial Planning
- Tax Preparation & Planning
 - Individual & Partnership
 - Corporate & Fiduciary
- Bookkeeping & Payroll Services

December 29, 2010

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
The Extra Mile, Region VIII, Inc.
Monroe, Louisiana

We have audited the financial statements of The Extra Mile, Region VIII, Inc. as of and for the year ended June 30, 2010, and have issued our report thereon dated December 29, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered The Extra Mile, Region VIII, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting and which are listed as items 10-1, 10-2, 10-3, and 10-4. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Extra Mile, Region VIII, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as items 10-1, 10-2, 10-3, and 10-4.

The Extra Mile, Region VIII, Inc.'s responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit The Extra Mile, Region VIII, Inc.'s responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the board of directors, management, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana R.S. 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Johnston, Perry, Johnson & Associates, L.L.P.

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.

ROWLAND H. PERRY, CPA, APC
CHARLES L. JOHNSON, JR., CPA
VIOLET M. ROUSSEL, CPA, APC
JAY CUTHBERT, CPA, APAC
PAM BATTAGLIA, CPA
JULIAN R. JOHNSTON, CPA



"The CPA. Never Underestimate The Value."

Certified Public Accountants

3007 Armand Street
Monroe, Louisiana 71201

Telephone (318) 322-5156 or (318) 323-1411
Facsimile (318) 323-6331

- Accounting & Auditing
 - HUD Audits
 - Non-Profit Organizations
 - Governmental Organizations
- Business & Financial Planning
- Tax Preparation & Planning
 - Individual & Partnership
 - Corporate & Fiduciary
- Bookkeeping & Payroll Services

December 29, 2010

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Directors
The Extra Mile, Region VIII, Inc.
Monroe, Louisiana

Compliance

We have audited the compliance of The Extra Mile, Region VIII, Inc. with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. The Extra Mile, Region VIII, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of The Extra Mile, Region VIII, Inc.'s management. Our responsibility is to express an opinion on The Extra Mile, Region VIII, Inc.'s compliance based on our audit.

We conducted our audit of compliance in accordance with accounting standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The Extra Mile, Region VII,

Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of The Extra Mile, Region VIII, Inc.'s compliance with those requirements.

In our opinion, The Extra Mile, Region VIII, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of The Extra Mile, Region VIII, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered The Extra Mile, Region VIII, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 10-1, 10-2, 10-3, and 10-4. A significant deficiency in internal control over compliance is a deficiency, or a

combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The Extra Mile, Region VIII, Inc.'s responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit The Extra Mile, Region VIII, Inc.'s responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the board of directors, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana R.S. 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Johnston, Perry, Johnson & Associates, L.L.P.

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2010

ASSETS

CURRENT ASSETS

| | |
|------------------------------|--------------|
| Cash in Bank | 14,697 |
| Accounts Receivable - Grants | 116,942 |
| Prepaid Insurance | <u>8,891</u> |

TOTAL CURRENT ASSETS 140,530

FIXED ASSETS

| | |
|--------------------------------|------------------|
| Building | 29,000 |
| Equipment | 77,292 |
| Less: Accumulated Depreciation | <u>(74,280)</u> |

TOTAL FIXED ASSETS 32,012

OTHER ASSETS

| | |
|----------|------------|
| Deposits | <u>475</u> |
|----------|------------|

TOTAL OTHER ASSETS 475

TOTAL ASSETS 173,017

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

| | |
|--------------------------------|---------------|
| Accounts Payable | 21,965 |
| Payroll Tax Payable | 11,955 |
| Accrued Leave | 3,802 |
| Line of Credit - Bancorp South | <u>49,373</u> |

TOTAL LIABILITIES 87,095

NET ASSETS

| | |
|-------------------------|---------------|
| Unrestricted Net Assets | <u>85,922</u> |
|-------------------------|---------------|

TOTAL NET ASSETS 85,922

TOTAL LIABILITIES AND NET ASSETS 173,017

The accompanying notes are an integral part of these financial statements.

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
STATEMENT OF ACTIVITIES
JUNE 30, 2010

CHANGES IN UNRESTRICTED NET ASSETS

SUPPORT AND REVENUE

| | |
|----------------------------------|----------------|
| Support | |
| Grants | <u>703,383</u> |
| <u>TOTAL SUPPORT</u> | <u>703,383</u> |
| Revenue | |
| Fund Raising Revenue (Net) | 469 |
| Donations | 11,222 |
| Other Revenue | <u>4,338</u> |
| <u>TOTAL REVENUE</u> | <u>16,029</u> |
| <u>TOTAL SUPPORT AND REVENUE</u> | <u>719,412</u> |

EXPENSES

| | |
|---|----------------|
| Program Services | |
| Support for Department of Health & Hospitals - Louisiana and Community Support | <u>634,152</u> |
| <u>TOTAL PROGRAM SERVICES</u> | <u>634,152</u> |
| Support Services | |
| General and Administrative | <u>71,848</u> |
| <u>TOTAL SUPPORT SERVICES</u> | <u>71,848</u> |
| <u>TOTAL EXPENSES</u> | <u>706,000</u> |

| | |
|---|---------------|
| <u>INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS</u> | <u>13,412</u> |
| <u>NET ASSETS - BEGINNING OF YEAR</u> | <u>72,510</u> |
| <u>NET ASSETS - END OF YEAR</u> | <u>85,922</u> |

The accompanying notes are an integral part of these financial statements.

- 9 -

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

THE EXTRA MILE; REGION VIII, INC.
 MONROE, LOUISIANA
 STATEMENT OF FUNCTIONAL EXPENSES
 JUNE 30, 2010

| | <u>Total Program Expenses</u> | <u>General and Administrative</u> | <u>Total</u> |
|---------------------------|---------------------------------------|---------------------------------------|--------------------|
| Personal Services | 317,493 | 23,775 | 341,268 |
| Related Benefits | 41,508 | 2,853 | 44,361 |
| Travel | 22,976 | 3,375 | 26,351 |
| Operating Services | 182,480 | 26,247 | 208,727 |
| Supplies | 30,186 | 11,208 | 41,394 |
| Other Services | <u>36,393</u> | <u>4,044</u> | <u>40,437</u> |
| Total Expenditures Before | | | |
| Depreciation | 631,036 | 71,502 | 702,538 |
| Depreciation | <u>3,116</u> | <u>346</u> | <u>3,462</u> |
| <u>TOTAL EXPENSES</u> | <u>634,152</u> | <u>71,848</u> | <u>706,000</u> |

The accompanying notes are an integral part of these financial statements.

- 10 -

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.
 CERTIFIED PUBLIC ACCOUNTANTS

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
STATEMENT OF CASH FLOWS
JUNE 30, 2010

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase (Decrease) in Net Assets 13,412

Adjustments to Reconcile Increase (Decrease) in Net Assets
To Net Cash Provided (Used) by Operating Activities

Depreciation 3,462

(Increase) Decrease in:

Grants Receivable (38,853)

Prepaid Insurance (8,891)

Increase (Decrease) in:

Accounts Payable 18,110

Accrued Payroll Taxes 4,360

Accrued Leave 3,802

Net Cash Provided (Used) By Operating Activities (4,598)

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from Line of Credit (Net) 24,433

Net Cash Provided (Used) By Financing Activities 24,433

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Fixed Assets (10,272)

Net Cash Provided (Used) By Investing Activities (10,272)

NET INCREASE (DECREASE) IN CASH 9,563

BEGINNING CASH AND CASH EQUIVALENTS 5,134

ENDING CASH AND CASH EQUIVALENTS 14,697

SUPPLEMENTAL CASH BASIS DATA

Interest Paid 1,317

Income Taxes Paid -0-

The accompanying notes are an integral part of these financial statements.

THE EXTRA MILE; REGION VIII, INC.
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Statement of Presentation

The accompanying financial statements conform to accounting principles generally accepted in the United States of America for not-for-profit organizations.

The Agency is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. All of the net assets at June 30, 2010 are unrestricted.

B. Organization

The Extra Mile, Region VIII, Inc. was organized to promote and develop contributions and volunteers to Louisiana state funded agencies. The Agency is operated exclusively for charitable, educational, and scientific purposes.

C. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

D. Cash and Cash Equivalents

The Agency considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents.

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

E. Property and Equipment Accounting

Property and equipment acquired with Agency funds are considered to be owned by the Agency while used in the program or in future authorized programs. However, funding sources have a reversionary interest in these assets as well as the determination of use of any proceeds from the sale of these assets.

The Agency follows the practice of capitalizing all expenditures for property and equipment with a cost in excess of \$1,000. Depreciation is computed on a straight-line basis over the estimated service lives of the assets. The following lives have been assigned to the fixed assets:

| | |
|------------------------------------|----------|
| Computer Equipment and Vehicles | 5 Years |
| Furniture, Fixtures, and Equipment | 7 Years |
| Building | 39 Years |

Net values are computed as follows:

| | |
|-----------------------------------|-----------------|
| | <u>2010</u> |
| Building | 29,000 |
| Computer Equipment and Vehicles | 46,987 |
| Furniture, Fixtures and Equipment | 30,305 |
| Less: Accumulated Depreciation | <u>(74,280)</u> |
| Net Value | <u>32,012</u> |

F. Budget Policy

Budgets are prepared by the Agency's Executive Director and Board of Directors, and approved by the grantor of the funds.

G. Cash in Bank

All funds are in institutions insured by an agency of the Federal Government.

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

H. Related Party Transactions

There were no related party transactions for the year ended June 30, 2010.

NOTE 2 - FUNDING POLICIES AND SOURCES OF FUNDS:

The Agency receives its monies through various methods of funding. Most of the funds are received on a reimbursement basis. The Agency also receives funds by contributions from both public and private sources. The primary source of funds is the Louisiana Department of Health and Hospitals. The loss of this funding source would have an adverse effect on the Agency.

NOTE 3 - GRANTS RECEIVABLE:

Grants receivable at June 30, 2010 substantially consists of reimbursements for expenses incurred under the program due from the Louisiana Department of Health and Hospitals.

The allowance for bad debts is zero as management believes all amounts are collectible. Accounts are reviewed monthly to determine collectibility.

NOTE 4 - BOARD OF DIRECTORS COMPENSATION:

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

NOTE 5 - INCOME TAX STATUS

The Agency, a non-profit corporation, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE 6 - ACCRUED LEAVE:

As of June 30, 2010, unused annual leave time is \$3,802. The Agency allows annual leave to be carried forward for all regular full-time and all regular part-time employees. The maximum accrual for full-time employees is forty hours.

THE EXTRA MILE; REGION VIII, INC.
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

NOTE 7 - CONTINGENT LIABILITIES:

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount which may be disallowed by the grantor cannot be determined at this time, although the Agency expects such amounts, if any, to be immaterial.

NOTE 8 - FUNCTIONAL ALLOCATION OF EXPENSES:

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Fund-raising costs are not material.

NOTE 9 - RETIREMENT PLAN:

All employees are covered under the Social Security program.

The Agency also has a 401(k) plan set up for eligible salaried employees. The Agency matches up to 3% on elected contributions. The total amount of contributions was \$850.

NOTE 10 - ADVERTISING:

The Agency expenses advertising costs as they are incurred. There were no advertising costs for the year ended June 30, 2010.

NOTE 11 - FUND-RAISING REVENUE:

The fund-raising revenues and expenses are as follows:

| | |
|---------------------------|------------|
| Fund-Raising Revenue | 4,608 |
| Direct Fund-Raising Costs | (4,139) |
| Net Fund-Raising | <u>469</u> |

The Agency had no other material fund-raising expenses.

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

NOTE 12 - LINE OF CREDIT:

The Agency established a \$50,000 line of credit with Bancorp South. The interest rate is 5.1% and the outstanding balance is \$49,373 at June 30, 2010.

NOTE 13 - NONCOMPLIANCE FINDINGS AND QUESTIONED COSTS:

The Agency receives funding/grants from the Louisiana Department of Health and Hospitals and such funding is subject to certain requirements and conditions. The items listed in the schedule of findings and questioned costs will be reviewed by the appropriate funding agency and a final resolution of the questioned costs will be made by such agency.

NOTE 14 - SUBSEQUENT EVENTS:

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Agency through December 29, 2010, the date the report was available for issue, and concluded that the Crisis Intervention Team Contract (#647848) would not be renewed. The original contract was over a three-year period (FY08 \$43,524; FY09 \$138,705; FY10 \$125,692). All contract support staff have been terminated or rehired and transferred to another contract.

NOTE 15 - IMPAIRMENT OF LONG-LIVED ASSETS:

In accordance with the accounting guidance for the impairment or disposal of long-lived assets, the Agency reviews its property for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment loss has been recognized to date.

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

NOTE 16 - UNCERTAIN TAX POSITIONS:

The Agency is subject to examination by various taxing authorities, including federal income tax examinations. Management has reviewed the Agency's activities and believes that no additional amounts or disclosures are needed, as the effect of any uncertain tax positions is not material to the financial statements.

SUPPLEMENTARY FINANCIAL INFORMATION

JOHNSTON, PERRY, JOHNSON & ASSOCIATES, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

SCHEDULE I

THE EXTRA MILE, REGION VIII, INC.
 MONROE, LOUISIANA
 SCHEDULE OF EXPENDITURES BY GRANTOR
 FOR THE YEAR ENDED JUNE 30, 2010

| | DHH State Funds | Drop-In Center | Wrap Around OMH |
|--------------------|--------------------|-------------------|--------------------|
| Personal Services | 38,064 | 73,459 | - |
| Related Benefits | 7,200 | 10,684 | - |
| Travel | 600 | 3,999 | 1,143 |
| Operating Services | 2,100 | 29,994 | 14,087 |
| Supplies | 729 | 7,819 | - |
| Professional | 300 | 4,158 | - |
| Capital Assets | - | 724 | - |
| Administration | - | 13,584 | 5,095 |
| Total Expenditures | <u>48,993</u> | <u>144,421</u> | <u>20,325</u> |

| | Consumer Resources | RAC | Consumer Development | Crisis Response System |
|--------------------|-----------------------|--------------|-------------------------|------------------------------|
| Personal Services | - | - | 127,866 | 78,104 |
| Related Benefits | - | - | 17,931 | 5,693 |
| Travel | 547 | 305 | 14,000 | 1,497 |
| Operating Services | 69,496 | 199 | 21,800 | 16,169 |
| Supplies | - | 1,000 | 6,126 | 3,093 |
| Professional | - | 5,475 | - | 3,500 |
| Capital Assets | - | - | 936 | 928 |
| Administration | <u>7,830</u> | <u>727</u> | <u>21,930</u> | <u>10,909</u> |
| Total Expenditures | <u>77,873</u> | <u>7,706</u> | <u>210,589</u> | <u>119,893</u> |

| | Crisis Intervention Team | Community Support | TOTAL |
|--------------------|--------------------------------|----------------------|----------------|
| Personal Services | - | - | 317,493 |
| Related Benefits | - | - | 41,508 |
| Travel | 885 | - | 22,976 |
| Operating Services | 26,893 | 1,742 | 182,480 |
| Supplies | 11,418 | - | 30,185 |
| Professional | 22,960 | - | 36,393 |
| Capital Assets | - | 7,684 | 10,272 |
| Administration | <u>11,427</u> | <u>-</u> | <u>71,502</u> |
| Total Expenditures | <u>73,583</u> | <u>9,426</u> | <u>712,809</u> |

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

| <u>Federal Grantor/Pass-Through Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>Federal Disbursements/ Expenditures</u> |
|---|--------------------------------|--|
| U.S. Department of Health and Human Services | | |
| Passed through Louisiana | | |
| State Department of Health and Hospitals | | |
| * Block Grants for Community Mental Health Services | 93.958 | <u>703,383</u> |
| <u>Total</u> | | <u>703,383</u> |

* Major Federal Program

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of The Extra Mile, Region VIII, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

NOTE 2 - SUBRECIPIENTS

The Extra Mile, Region VIII, Inc. did not provide federal awards to subrecipients.

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
SCHEDULE OF BOARD MEMBERS COMPENSATION
FOR THE YEAR ENDED JUNE 30, 2010

No compensation was paid to any board member during the year under audit.

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

* Material weakness(es) identified: ☐ yes ☒ no

* Significant deficiency(s) identified that are not
Considered to be material weaknesses? ☒ yes ☐ no

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

* Material weakness(es) identified: ☐ yes ☒ no

* Significant deficiency(s) identified that are not
Considered to be material weaknesses? ☒ yes ☐ no

Type of auditors' report issued on compliance for major programs:
Unqualified

Any audit findings disclosed that are required to be
Reported in accordance with Section 510(a) of
Circular A-133? ☒ yes ☐ no

Identification of major programs:

| | |
|----------------|--|
| CFDA Number(s) | Name of Federal Program or Cluster |
| 93.958 | Department of Health & Human Services - Block Grant for Community Mental Health Services |

Dollar threshold used to distinguish
Between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? ☐ yes ☒ no

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010

SECTION II - FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS

10-1

Criteria: Adequate internal controls require general ledger amounts to tie back to cost reimbursement reports.

Condition: General ledger amounts did not tie back to the cost reimbursement report.

Questioned Cost: None

Context: Internal controls

Effect: This finding has no effect on the financial statements as cost reports were correct.

Cause: There was inadequate monitoring of cost reimbursements to ensure proper coding to general ledger accounts.

Recommendation: We recommend the Agency monitor the cost reimbursement reports and the general ledger to ensure proper coding to general ledger accounts.

Response: The Agency will monitor closer the cost reimbursement reports to ensure proper coding to general ledger accounts.

10-2

Finding: As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting journal entries and to prepare the Agency's annual financial statements. This condition is intentional by management based upon the Agency's financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010

SECTION II - FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS
(Continued)

10-2 (Continued)

Finding: decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls.

Recently issued professional auditing standards require that we report the above condition as a control deficiency. The standard does not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Criteria: Proper internal controls under the professional auditing standards require management to prepare the Agency's annual financial statements.

Questioned
Cost: None

Effect: This finding has no effect on the financial statements.

Cause: It is not cost effective for the Agency to cure this control deficiency.

Recommendation: As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying the professional auditing standards reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports under the professional auditing

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010

SECTION II - FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS
(Continued)

10-2 (Continued)

Recommendation: standards. In this case, we do not believe that
(Continued) curing the significant deficiency described above
would be cost effective or practical and,
accordingly, do not believe any corrective action is
necessary.

Response: Management agrees with this finding.

10-3

Criteria: The Agency needs to record all bank accounts to the
general ledger.

Condition: It was noted at year end that a bank account was not
recorded in the general ledger.

Questioned Cost: None

Context: Internal controls

Effect: This finding has an immaterial effect on the
financial statements as there was very limited
activity in the bank account.

Cause: This was an oversight by the Agency.

Recommendation: We recommend the Agency carefully maintain and
review monthly bank account reconciliations to
ensure recording in the general ledger.

Response: Management agrees with this finding and will
carefully maintain and review monthly bank account
reconciliations to ensure recording in the general
ledger.

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010

SECTION II - FINANCIAL STATEMENT FINDINGS AND QUESTIONED COSTS
(Continued)

10-4

Criteria: The Agency needs to follow its updated personnel policies with respect to paid leave.

Condition: The Agency allowed employees to take more than the maximum yearly allowed paid leave.

Questioned Cost: Block Grants for Community Health Services - \$3,658

Context: Internal controls

Effect: This finding has no effect on the financial statements.

Cause: The Agency did not follow its updated personnel policies with respect to paid leave.

Recommendation: We recommend the Agency review and enforce paid leave based on the updated personnel policies for paid leave.

Response: Management agrees with this finding and will review and enforce paid leave based on the updated personnel policies for paid leave.

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010

SECTION III - MAJOR PROGRAMS FINANCIAL STATEMENT FINDINGS AND
QUESTIONED COSTS

10-1

Criteria: Adequate internal controls require general ledger amounts to tie back to cost reimbursement reports.

Condition: General ledger amounts did not tie back to the cost reimbursement report.

Questioned Cost: None

Context: Internal controls

Effect: This finding has no effect on the financial statements as cost reports were correct.

Cause: There was inadequate monitoring of cost reimbursements to ensure proper coding to general ledger accounts.

Recommendation: We recommend the Agency monitor the cost reimbursement reports and the general ledger to ensure proper coding to general ledger accounts.

Response: The Agency will monitor closer the cost reimbursement reports to ensure proper coding to general ledger accounts.

10-2

Finding: As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting journal entries and to prepare the Agency's annual financial statements. This condition is intentional by management based upon the Agency's financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010

SECTION III - MAJOR PROGRAMS FINANCIAL STATEMENT FINDINGS AND
QUESTIONED COSTS (Continued)

10-2 (Continued)

Finding: decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls.

Recently issued professional auditing standards require that we report the above condition as a control deficiency. The standard does not provide exceptions to reporting deficiencies that are adequately mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical.

Criteria: Proper internal controls under the professional auditing standards require management to prepare the Agency's annual financial statements.

Questioned
Cost: None

Effect: This finding has no effect on the financial statements.

Cause: It is not cost effective for the Agency to cure this control deficiency.

Recommendation: As mentioned above, whether or not it would be cost effective to cure a control deficiency is not a factor in applying the professional auditing standards reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports under the professional auditing

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010

SECTION III - MAJOR PROGRAMS FINANCIAL STATEMENT FINDINGS AND
QUESTIONED COSTS (Continued)

10-2 (Continued)

Recommendation: standards. In this case, we do not believe that
(Continued) curing the significant deficiency described above
would be cost effective or practical and,
accordingly, do not believe any corrective action is
necessary.

Response: Management agrees with this finding.

10-3

Criteria: The Agency needs to record all bank accounts to the
general ledger.

Condition: It was noted at year end that a bank account was not
recorded in the general ledger.

Questioned Cost: None

Context: Internal controls

Effect: This finding has an immaterial effect on the
financial statements as there was very limited
activity in the bank account.

Cause: This was an oversight by the Agency.

Recommendation: We recommend the Agency carefully maintain and
review monthly bank account reconciliations to
ensure recording in the general ledger.

Response: Management agrees with this finding and will
carefully maintain and review monthly bank account
reconciliations to ensure recording in the general
ledger.

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010

SECTION III - MAJOR PROGRAMS FINANCIAL STATEMENT FINDINGS AND
QUESTIONED COSTS (Continued)

10-4

Criteria: The Agency needs to follow its updated personnel policies with respect to paid leave.

Condition: The Agency allowed employees to take more than the maximum yearly allowed paid leave.

Questioned Cost: Block Grants for Community Health Services - \$3,658

Context: Internal controls

Effect: This finding has no effect on the financial statements.

Cause: The Agency did not follow its updated personnel policies with respect to paid leave.

Recommendation: We recommend the Agency review and enforce paid leave based on the updated personnel policies for paid leave.

Response: Management agrees with this finding and will review and enforce paid leave based on the updated personnel policies for paid leave.

THE EXTRA MILE, REGION VIII, INC.
MONROE, LOUISIANA
CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS
JUNE 30, 2010

09-1

Finding: General ledger amounts did not tie back to the cost reimbursement report.

Status: Uncleared.

09-2

Finding: As is common in small organizations, management has chosen to engage the auditor to propose certain year-end adjusting journal entries and to prepare the Agency's annual financial statements. This condition is intentional by management based upon the Agency's financial complexity, along with the cost effectiveness of acquiring the ability to prepare financial statements in accordance with generally accepted accounting principles. Consistent with this decision, internal controls over the preparation of year-end adjusting entries and annual financial statements, complete with notes, in accordance with generally accepted accounting principles, have not been established. Under generally accepted auditing standards, this condition represents a significant deficiency in internal controls.

Status: Uncleared. Not cost effective to cure